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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

AMPAL-AMERICAN ISRAEL CORPORATION,

Chapter 7

Case No. 12-13689 (SMB)

Debtor.

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TRUSTEE'S FOURTH STATUS REPORT

This status report is being filed with the Court to advise the creditors, equity holders and other interested parties of Ampal-American Israel Corporation ("Ampal") of a significant event which has recently occurred in this Chapter 7 Bankruptcy Case.

1. In the Trustee's First Status Report filed on December 11, 2015, I described the various arbitration proceedings that were pending based upon the claims of Ampal resulting from its indirect 12.5% interest in East Mediterranean Gas Company, S.A.E., an Egyptian joint stock company ("EMG") [ECF Doc. No. 633].

2. That report also described an arbitration award issued by the International Chamber of Commerce ("ICC") on December 4, 2015 in which EMG was awarded \$324,000,000 including pre-judgment interest against the Egyptian General Petroleum Company and the Egyptian Natural Gas Holding Company ("EGPC/EGAS").

3. On February 28, 2017, the Trustee's Third Status Report was filed [ECF Doc. No. 751] to advise that the World Bank's International Centre for Settlement of Investment Disputes

(“ICSID”) had issued an award on liability and heads of loss. The ICSID Tribunal found that EGPC/EGAS’s conduct was attributable to the Arab Republic of Egypt (“Egypt”), and that Egypt was liable to Ampal for the following acts and omissions, including certain conduct by EGPC/EGAS:

- a. Revoking EMG’s tax license, and thereby unlawfully expropriating the claimants’ property interest in that tax license.
- b. Failing to protect the Trans-Sinai pipeline, and thereby breaching the standard of full protection and security under the applicable investment treaty.
- c. Wrongfully terminating the Gas Purchase and Supply Agreement (“GSPA”), and thereby unlawfully expropriating the claimants’ investment in EMG.

4. On April 7, 2017, the Cairo Regional Center for International Commercial Arbitration (“CRCICA”) issued a 353 page partial final arbitration award (“Partial Award”). The CRCICA Tribunal found that EGPC/EGAS were liable to EMG for wrongfully terminating and repudiating the GSPA.

5. The CRCICA Tribunal made a number of findings on issues relating to the quantum of damages and directed the parties to provide additional calculations. While we cannot predict what the actual damage award will be at this time, it appears from the Partial Award that the final amounts to be awarded to EMG by the CRCICA tribunal will substantially exceed the amount awarded by the ICC tribunal. We are unable to comment further on this aspect of the CRCICA arbitration while a decision on the quantum of damages is pending.

6. This award represents the third time that an international tribunal has found that Egypt and/or its instrumentalities (i.e., EGPC/EGAS) wrongfully repudiated their agreements with EMG, including the GSPA, and failed to protect the EMG pipeline.

7. As of this date the claimants are awaiting an award in the proceedings pending before the U.N. Commission on International Trade Law (“UNCITRAL”) against Egypt, as well as

a determination of the quantum of damages in the ICSID and CRCICA arbitrations.

8. It is impossible to assess the full economic impact to the Debtor of these awards until all of the arbitration tribunals have issued final awards with respect to liability as well as damages.

Dated: New York, New York
April 25, 2017

By: s/ Alex Spizz
Alex Spizz, Esq.
Chapter 7 Trustee of
Ampal-American Israel Corporation